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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Carla S. Roberts.

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SB 82 Original DIGEST Mizell  
2020 Regular Session

Present law provides that the head of a state or local government agency, who has actual knowledge or reasonable cause to believe that public funds or assets of the agency have been misappropriated, will immediately notify, in writing, the legislative auditor and the district attorney of the parish in which the government agency is domiciled.

Present law defines "reasonable cause" to suspect misappropriation of funds as information obtained as a result of the filing of a police report, an internal audit finding, or other source indicating such a misappropriation of agency funds or assets has occurred.

Present law defines "quasi-public agency" as any of the following:

- (1) An organization, either not-for-profit or for profit, created by the state of La. or any local government or political subdivision to perform a public purpose.
- (2) An organization, either not-for-profit or for profit, that is a component unit of a governmental reporting entity, as defined under generally accepted accounting principles.
- (3) An organization, either not-for-profit or for profit, created to perform a public purpose and having one or more of the following characteristics:
  - (a) The governing body is elected by the general public.
  - (b) A majority of the governing body is appointed by or authorized to be appointed by a governmental entity or individual governmental official as a part of his official duties.
  - (c) The entity is the recipient of the proceeds of an ad valorem tax or general sales tax levied specifically for its operations.
  - (d) The entity is able to directly issue debt, the interest on which is exempt from federal taxation.
  - (e) The entity can be dissolved unilaterally by a governmental entity and its net assets assumed without compensation by that governmental entity.
- (4) Any not-for-profit organization that receives or expends any local or state assistance in any fiscal year. Assistance will include grants, loans, transfers of property, awards, and direct appropriations of state or local public funds. Assistance will not include guarantees,

membership dues, vendor contracts for goods and services related to administrative support for a local or state assistance program, some assistance to private or parochial schools, assistance to private colleges and universities, or benefits to individuals.

- (5) Any organization, either not-for-profit or for profit, which is subject to the open meetings law and derives a portion of its income from payments received from any public agency or body.

Proposed law retains present law but requires the chief executive officer, or any officer or board member with executive authority, of a quasi-public entity who has knowledge or reasonable cause to believe that there has been a misappropriation of the public funds received or expended by the quasi-public entity to notify, in writing, the legislative auditor and the district attorney of the parish in which the quasi-public entity is domiciled of such misappropriation.

Proposed law provides that "quasi-public entity" will have the same meaning as a "quasi-public agency" as defined in present law.

Effective August 1, 2020.

(Amends R.S. 24:523)